

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
MONTHS: JANUARY 2009 THROUGH DECEMBER 2009

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	46,700
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	78,728
3. TOTAL (LINE 1 AND LINE 2)	125,428

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST. & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
RS-1	12,736	85,912	165,568	60,517	226,085	19,985	8.83959%	0.23262	1.00503	0.23379
RS-2	11,055	229,005	176,880	129,912	306,792	27,119	8.83959%	0.11842	1.00503	0.11902
RS-3	10,056	413,540	201,120	208,346	409,466	36,195	8.83959%	0.08753	1.00503	0.08797
GS-1	2,610	94,935	52,200	41,753	93,953	8,305	8.83959%	0.08748	1.00503	0.08792
GS-2	428	213,027	29,960	67,745	97,705	8,637	8.83959%	0.04054	1.00503	0.04075
FTS-4	12	408,098	24,000	47,947	71,947	6,360	8.83959%	0.01558	1.00503	0.01566
FTS-5	12	4,980,000	36,000	176,989	212,989	18,827	8.83959%	0.00378	1.00503	0.00380
TOTAL	36,909	6,424,517	685,728	733,210	1,418,938	125,428				

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2009 THROUGH DECEMBER 2009

<u>PROGRAM</u>	<u>CAPITAL INVEST</u>	<u>PYROLL & BENEFITS</u>	<u>MATERLS. & SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	10,850	0	0	0	10,850
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	7,075	0	0	0	7,075
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	28,775	0	0	0	28,775
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,700</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	<u>CAPITAL INVEST</u>	<u>PYROLL & BENEFITS</u>	<u>MATERLS. & SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	0	8,325	0	0	0	8,325
B. ESTIMATED	0	0	0	0	2,800	0	0	0	2,800
TOTAL	0	0	0	0	11,125	0	0	0	11,125
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	0	11,800	0	0	0	11,800
B. ESTIMATED	0	0	0	0	2,500	0	0	0	2,500
TOTAL	0	0	0	0	14,300	0	0	0	14,300
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	0	58,750	0	0	0	58,750
B. ESTIMATED	0	0	0	0	14,700	0	0	0	14,700
TOTAL	0	0	0	0	73,450	0	0	0	73,450
4 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
5 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,875</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,875</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	0	0	0	0	98,875	0	0	0	98,875
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	98,875	0	0	0	98,875

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL/ESTIMATED
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
RESIDENTIAL NEW CONSTRUCTION	0	925	200	1,350	350	2,000	350	3,150	700	700	700	700	11,125
RESIDENTIAL APPL. REPLACEMENT	200	4,700	625	1,575	625	1,150	625	2,300	625	625	625	625	14,300
RESIDENTIAL APPL. RETENTION	5,525	10,250	5,525	11,600	5,025	9,425	4,600	6,800	3,675	3,675	3,675	3,675	73,450
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	5,725	15,875	6,350	14,525	6,000	12,575	5,575	12,250	5,000	5,000	5,000	5,000	98,875

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
CONSERVATION REVS.													
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
a. OTHER PROG. REV.	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	-15,160	-13,620	-9,657	-7,085	-6,060	-3,801	-4,343	-3,333	-3,469	-3,573	-5,085	-9,995	-85,182
CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	-15,160	-13,620	-9,657	-7,085	-6,060	-3,801	-4,343	-3,333	-3,469	-3,573	-5,085	-9,995	-85,182
PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	63,204
CONSERVATION REVS. APPLIC. TO PERIOD	-9,893	-8,353	-4,390	-1,818	-793	1,466	924	1,934	1,798	1,694	182	-4,728	-21,978
CONSERVATION EXPS. (FORM C-3, PAGE 3)	5,725	15,875	6,350	14,525	6,000	12,575	5,575	12,250	5,000	5,000	5,000	5,000	98,875
TRUE-UP THIS PERIOD	-4,168	7,522	1,960	12,707	5,207	14,041	6,499	14,184	6,798	6,694	5,182	272	76,897
INTEREST THIS PERIOD (C-3,PAGE 5)	196	142	130	130	133	133	143	154	165	169	170	165	1,831
TRUE-UP & INT. BEG. OF MONTH	63,204	53,965	56,362	53,185	60,755	60,829	69,735	71,110	80,181	81,877	83,473	83,558	
PRIOR TRUE-UP COLLECT./(REFUND.)	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	-5,267	
END OF PERIOD TOTAL NET TRUE-UP	53,965	56,362	53,185	60,755	60,829	69,735	71,110	80,181	81,877	83,473	83,558	78,728	78,728

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	63,204	53,965	56,362	53,185	60,755	60,829	69,735	71,110	80,181	81,877	83,473	83,558	
END. T-UP BEFORE INT.	53,769	56,220	53,054	60,625	60,695	69,602	70,967	80,027	81,712	83,305	83,388	78,563	
TOT. BEG. & END. T-UP	116,973	110,185	109,416	113,810	121,450	130,431	140,702	151,137	161,893	165,182	166,861	162,121	
AVERAGE TRUE-UP	58,486	55,093	54,708	56,905	60,725	65,215	70,351	75,569	80,947	82,591	83,431	81,061	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.98%	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	
TOTAL	8.06%	6.17%	5.72%	5.47%	5.27%	4.88%	4.89%	4.89%	4.90%	4.90%	4.90%	4.90%	
AVG INTEREST RATE	4.03%	3.09%	2.86%	2.74%	2.64%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	
MONTHLY AVG. RATE	0.34%	0.26%	0.24%	0.23%	0.22%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
INTEREST PROVISION	\$196	\$142	\$130	\$130	\$133	\$133	\$143	\$154	\$165	\$169	\$170	\$165	\$1,831

PROGRAM TITLE:

RESIDENTIAL NEW CONSTRUCTION

PROGRAM DESCRIPTION:

This program is designed to increase the number of high priority firm natural gas customers in the new construction market. Incentives are offered in the form of cash allowances to assist builders in defraying the additional costs associated with natural gas appliance installations.

<u>APPLIANCE LOAD</u>	<u>ALLOWANCE</u>
GAS HEATING	\$350.00
GAS WATER HEATING	\$350.00
GAS AIR CONDITIONING	\$1,400.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$450.00
	<u>\$2,750.00</u>

PROGRAM PROJECTIONS FOR:

JANUARY 2008 THROUGH DECEMBER 2009

	<u>GAS WATER HEATING</u>	<u>GAS HEATING</u>	<u>GAS AIR CONDITIONING</u>	<u>GAS DRYER</u>	<u>GAS RANGE</u>	<u>GAS TANKLESS W/H</u>
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	10	9		7	8	6
JANUARY 2009 - DECEMBER 2009 (12 MTHS)	10	9		7	8	6

PROGRAM FISCAL EXPENSES FOR:

JANUARY 06 - DECEMBER 07

JANUARY 08 - AUGUST 08	ACTUAL EXPENSES	8,325.00
SEPTEMBER 08 - DECEMBER 08	ESTIMATED EXPENSES	2,800.00
JANUARY 2009 - DECEMBER 2009	ESTIMATED EXPENSES	10,850.00

PROGRAM PROGRESS SUMMARY:

New construction is very limited in St Joe Natural Gas's service territory. By far the majority of new construction is by custom design where the owner specified to the builder the type of energy desired.

PROGRAM TITLE: RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM

PROGRAM DESCRIPTION: This program is designed to promote the replacement of electric resistance appliances with energy efficient natural gas heaters, water heaters, air conditioners, dryers, ranges and tankless water heaters. Incentives are offered in the form of cash allowances to assist in defraying the additional costs in purchasing and installing natural gas appliances.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: JANUARY 2008 THROUGH DECEMBER 2009

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	23	1		4	12	0
JANUARY 2009 - DECEMBER 2009 (12 MTHS)	10	1		4	8	0

PROGRAM FISCAL EXPENSES FOR: JANUARY 2008 THROUGH DECEMBER 2009

JANUARY 08 - AUGUST 08	ACTUAL EXPENSES	11,800.00
SEPTEMBER 08 - DECEMBER 08	ESTIMATED EXPENSES	2,500.00
JANUARY 2009 - DECEMBER 2009	ESTIMATED EXPENSES	7,075.00

PROGRAM PROGRESS SUMMARY: Replacement of electric appliances with natural gas appliances continues to be well received by ratepayers in St Joe Natural Gas Company's service territory.

PROGRAM TITLE: RESIDENTIAL APPLIANCE RETENTION PROGRAM

PROGRAM DESCRIPTION: This program is designed to encourage homeowners with existing natural gas appliances to retain natural gas when the existing appliances fail, or are otherwise replaced. The proposed retention program includes allowances for natural gas water heater, heating, clothes drying, range, and tankless water heating systems.

APPLIANCE LOAD	ALLOWANCE
GAS HEATING	\$625.00
GAS WATER HEATING	\$525.00
GAS AIR CONDITIONING	\$1,500.00
GAS CLOTHES DRYER	\$100.00
GAS RANGE	\$100.00
GAS TANKLESS W/HEATER	\$525.00
	<u>\$3,375.00</u>

PROGRAM PROJECTIONS FOR: 0.00

	GAS WATER HEATING	GAS HEATING	GAS AIR CONDITIONING	GAS DRYER	GAS RANGE	GAS TANKLESS W/H
JANUARY 2008 - DECEMBER 2008 (12 MTHS)	110	19		12	21	1
JANUARY 2009 - DECEMBER 2009 (12 MTHS)	45	5		5	10	1

PROGRAM FISCAL EXPENSES FOR: RESIDENTIAL APPLIANCE RETENTION PROGRAM

JANUARY 08 - AUGUST 08	ACTUAL EXPENSES	58,750.00
SEPTEMBER 08 - DECEMBER 08	ESTIMATED EXPENSES	14,700.00
JANUARY 2009 - DECEMBER 2009	ESTIMATED EXPENSES	28,775.00

PROGRAM PROGRESS SUMMARY: The Company recognizes that the cost to retain an existing customer is significantly lower than the cost to add a new customer. The proposed retention allowances will strengthen the Company's ability to retain existing gas customers and avoid the removal of services. This program has been well received by the customers as well.